

Student Notes - Power Point Slides
Active Duty Broadcast
May 11, 2005

PP (1)

Overview

Originate
Process
Underwrite &
Close loans
for
Active Duty, Reserve and Guard

PP (2)

Discussion items:

Eligibility
Occupancy
Credit
Income
LES

PP (3)

Discussion items cont.:

Residual Income
Powers of Attorney and Alive & Well Statements
Certifications & Checklists
Funding Fee
Soldiers and Sailors Civil Relief Act

PP (4)

VA Form 26-1880

Request for a Certificate of Eligibility
for VA Home Loan Benefit

www.homeloans.va.gov/

PP (5)

1. Veteran's full name
2. Social Security Number (SSN)
3. Date of Birth
4. The entry date on active duty
5. The duration of lost time, if any
6. Name and signature of commanding officer

PP (6)

The Department of Veterans Affairs
Eligibility Center
P. O. Box 20729
Winston-Salem, NC 27120

PP (7)

The Department of Veterans Affairs
Eligibility Center
P. O. Box 240097
Los Angeles, CA 90024

PP (8)

Occupancy

Lender's Handbook, Chapter 3, Section 5

PP (9)

Retirement - specific date within 12 months qualifies.

"Within the next few years..."

or

"in the future" does not qualify

PP (10)

Income

- Stable
- Reliable
- Anticipated to Continue
- Sufficient

PP (11)

Income

- Documentation
- Discharge Date
- Military Allowances and Allotments
- Reservists
- Recently Discharged Veterans
- Residual Income/Debt to Income Ratio

PP (12)

Leave and Earnings Statement (LES)

- 120 days
- 180 days
- Original or certified copy

PP (13)

Expiration of Service Within 12 Months

- Already Re-enlisted or Intends to Re-enlist
- Offer of Civilian Employment
- Retirement
- Other Compensating Factors

PP (14)

Already Re-enlisted or Intends to Re-enlist

- Documentation of Enlistment
- Statement from Serviceperson
- Statement from Commanding Officer
- Must be Eligible

PP (15)

Civilian Employment

- Valid Offer of Employment
- Beginning Date
- Income

PP (16)

Retirement

- Beginning Date
- Income

PP (17)

Other Compensating Factors

- Down Payment of at least 10%
- Significant Cash Reserves
- Strong Ties to Community
- Spouse's Income Sufficient

PP (18)

Recently Discharged Veterans

- Probability of future employment
- Does it relate to military occupation?
- Other Compensating Factors
- Explanation
- May not be determined stable

PP (19)

Military Allowances

- Specific needs not provided by Government
- Basic Allowance for Subsistence (BAS)
- Basic Allowance for Housing or Quarters (BAH or BAQ)

PP (20)

Military Quarters Allowances (BAH)

- DD Form 1747
- Duty Assignment
- Waiting Lists
- VA Release
- Non taxable
- Occupancy

PP (21)

Other Military Allowances

- Type and Amount
- How Long Received
- Periodic Review
- Expected to Continue
- Offset Short Term Obligations
- Taxable Income

PP (22)

Residual Income...

“How to Complete
VA Form 26-6393, Loan Analysis”

Lender’s Handbook, Chapter 4, Section 9

PP (23)

Monthly Gross Income

- New Mortgage Obligation
- Associated Costs
- Monthly Debts and Obligations
- Taxes

= Residual Income

PP (24)

Debt-to-Income Ratio

$$\frac{\text{Total Monthly Debt Payments}}{\text{Monthly Gross Income}}$$

= Percentage

PP (25)

Leave & Earnings Statement

Lender's Handbook, Chapter 4, Section 2. k.

PP (26)

Common Pay & Allowances

- BAH or BAQ
- BAS
- Pilot or Flight pay
- Military Clothing Allowance
- Special Hazard duty pay

PP (27)

Information on Leave & Earning Statements

<https://mypay.dfas.mil/mypay.aspx>

PP (28)

Active Duty Credit Requirements

- No different!
- Credit Guidelines
VA Lender's Handbook, Chapter 4, Section 4.07

PP (29)

VA Form 26-1820
Report and Certification
of Loan Disbursement

PP (30)

VA Form 26-0592
Counseling Checklist
for Military Homebuyers

PP (31)

Funding Fee Questions

- What type of service?
- What type of loan?
- Is there a down payment?
- Is it a subsequent use?

PP (32)

Written Consent to the Specifics

- Entitlement
- Purpose
- Property Identification
- Price & Terms
- Occupancy

PP (33)

www.homeloans.va.gov

- Lenders/Serviceicers
- What's New
- Policy guidance for Alive & Well Certs

PP (34)

Broadcast Summary

- Eligibility
- Occupancy
- Credit
- Income
- LES

PP (35)

Summary cont.

- Residual Income & Grossing Up
- Powers of Attorney and Alive & Well Statements
- Certifications & Checklists
- Funding Fee
- Soldiers and Sailors Civil Relief Act

PP (36)

Course Evaluations

One Touch

Email: susan.wiedemann@vba.va.gov

FAX: 202.275.3135

Mail: Veterans Benefits Administration
Loan Guaranty Services (264B)
810 Vermont Avenue, NW
Washington, DC 20420

PP (37)

Next Broadcast:

June 22, 2005, 12:00 EST

Credit Underwriting Panel

PP (38)

Multi Video Services

1.800.800.DUBS

www.va.homeloans.gov/